

Agenda Item No. 5

WEST MIDLANDS REGIONAL ASSEMBLY

Board of Directors - Friday 6th October 2006

Report of the Company Secretary

Financial

1.0 Audited Accounts 2005-06

Purpose

- 1.1 To present the Financial Statements for the West Midlands Regional Assembly Limited for the financial year ended 31st March 2006 as audited by Clement Keys and appendix 1 to this report.
- 1.2 The Board should note that these accounts will be presented to the Audit Committee at a meeting held immediately before the Board meeting.

Background

- 1.3 The firm of Clement Keys was appointed as external auditors for 2005-06 for both WMLGA and the Assembly and they will present the audited accounts to the Board.

Recommendations

- 1.4 It is recommended that the Board notes the content of this report and;
 - (i) **Approves** the Financial Statements for 2005-06
 - (ii) **Approves** the re-appointment of Clement Keys for 2006-07

1.5 Key Points

- The final report to Government Office (which represents physical cash movement) indicated that all funds available to the Assembly during the year from DCLG (ODPM) were expended with the exception of a Legal Contingency which was carried forward to underpin expected legal costs in 2006-07.
- A Directors' Report on the principal activities and review of business is included at page 2.
- Income from bank interest is shown nett of corporation tax (which is detailed at page 9).
- The audited financial statements are produced in line with Financial Reporting Standards for Smaller Entities and include conversion of cost to tangible fixed assets and accrual and prepayment principles.
- During the year the Assembly acquired £5,750 additional tangible fixed assets.
- There was a high level of partner funded activity that was financially managed via the Assembly as reflected in the reconciliation and detailed at page 11.
- As the accountable body for the English Regions Network, it is necessary to include the ERN Revenue Account within the financial statements of WMRA limited as a separate report at page 15.

Reconciliation to Outturn Report

- 1.6 The following table reconciles the outturn report which is based on a cash accounting approach for the purposes of ODPM, with the financial statements (page 13).

	£
Outturn Income	2,677,846
Legal Contingency Fund* (rec'd and carried forward)	-54,716
RTPP Match Funding	-15,000
Forestry Project Funding	-94,012
Dept of Health Project Funding	-59,749
Energy West Midlands Funds	-231,412
Other Project Funding	-54,196
<i>Income as per Financial Statement</i>	<i>2,168,761</i>
Outturn Expenditure	2,657,682
Computer Equipment capitalised	-1,409
Office Equipment capitalised	-4,341
Depreciation for the year	6,534
RTPP (Match Fund Costs)	-15,000
Legal Contingency (cfwd)	-54,716
Project Expenditure	-439,375
<i>Expenditure as per Financial Statement</i>	<i>2,149,375</i>

*Outturn stated a contingency of £55,176 but this was reduced by £1,000 due to a late conformity invoice.

Reserves:

The value of reserves can be explained as;

Fixed Assets (furniture & computers)	£41,085
Net Current Assets	<u>£50,709</u>
Total Reserves	£91,794

2.0 2006-07 Half Year Review and Draft Revised Budget

- 2.1 A separate report will be produced and tabled at the Board meeting due to the short timeframe between the end of the half year reporting period at 30 September 2006 and the Board meeting.

Governance

3.0 Transfer of Company Secretary role – Confirmation of the Chairman and Vice-Chair's Action

Purpose

- 3.1 To advise the Board of the action of the Chairman and Vice Chair's in respect of the transfer of the office of Company Secretary.

Recommendation

- 3.2 That the action of the Chairman and Vice-Chairs in respect of the transfer of the office of Company Secretary to Olwen Dutton be endorsed.

Background

- 3.3 From 10 March 2006 Stephen Hind was appointed Company Secretary until the successful appointment of a new Chief Executive.
- 3.4 Following the appointment of Olwen Dutton as the new Chief Executive of the Regional Partnerships, it was felt appropriate to transfer this role to her prior to the Board meeting. The Chairman and Vice-Chairs have been consulted and given their consent to this course of action.

4.0 Corporate Governance Action Plan – Update Report

Purpose

- 4.1 To provide the Board with an indication of the purpose and scope of an ongoing corporate governance review, together with a progress report on review activities.

Recommendation

- 4.2 That the work to date on reviewing corporate governance issues be noted and that a more detailed review report be considered at the next Board meeting.

Details

- 4.3 At the last Board meeting a request was made for more information on the WMRA corporate governance review which had been referred to in the meeting.
- 4.4 This review was instigated by the combined WMRA and WMLGA Senior Management Teams (SMT) in 2005 to carry out a medium term, more systematic review of corporate governance issues affecting both organisations. The principal drivers for this review were the rapid growth of both WMRA and WMLGA and the increasing complexities of organisation, both separate and collective.
- 4.5 With the significant increase in operations, including in establishments, range of activities and financial management requirements, over a relatively short period, SMT acknowledged the need to review and refresh existing policies, processes and practices and introduce new ones where gaps had appeared.
- 4.6 The review has covered three broad areas
- Legal and constitutional
 - operational effectiveness and efficiency
 - performance management
- 4.7 Set out in the attached Appendix 2 is a schedule of key aspects covered by the review relating to WMRA, with an indication of progress to date and work still outstanding.

- 4.8 It has been agreed that an element of the temporary, part time support provided by the former Senior Director of WMLGA to the Regional Partnerships CEO will include some dedicated work on corporate governance, now more fully within the Regional Partnerships context. This will include completion of review elements as far as is feasible and producing a corporate governance 'manual' for future reference and monitoring.
- 4.9 The outputs from that work will be presented to a future Board meeting.

5.0 Membership Structures

Purpose

- 5.1 To inform the Board of the memberships of WMRA, its Board and Regional Partnerships post the AGM held in July and to seek the Board's formal approval to the memberships of the Planning and Housing bodies.

Recommendation

- 5.2 That the Board
- (i) Notes and receives the memberships of the Assembly Company and Board of Directors
 - (ii) Approves the memberships of the Regional Planning and Housing Partnership structures to date set out in Appendix 3.
 - (iii) Authorise the Chairman and Vice-Chairs to approve outstanding members, particularly the Regional Housing Executive when finalised.

Details

- 5.3 Attached as Appendix 3 are the most up to date membership lists for WMRA, its Board and the Regional Planning and Housing Partnership structures, post the AGM in July. Other Partnership memberships will be circulated for information as and when finalised.
- 5.4 Whilst the determination of memberships is generally a matter for the Assembly's acknowledged nominating bodies, it is necessary for the Board to formally approve the memberships of those bodies to which are delegated executive functions and which are therefore formally constituted as committees or sub-committees of the Board. Currently this includes the Regional Planning Partnership and Regional Planning Executive and the Regional Housing Executive.
- 5.5 The other stakeholders and business sector membership of the Housing Partnership are still awaited and the membership of the Housing Executive is yet to be determined.
- 5.6 The Board is asked to approve the memberships so far submitted and authorise the Chairman and Vice-Chairs to approve outstanding memberships as and when resolved.